

GRAHAM 

# Gender Pay Report 2021

Delivering  
lasting impact



# Foreword

## At GRAHAM, we know the value of our people

We are recognised as an organisation that develops and implements innovative, world class people practice, and it is our intention to strengthen this reputation. We want our people to feel deeply connected with our vision and values, and to have the skills, motivation, and reward for delivering it.

At the centre of our People strategy is the principle of Fairness, Inclusion and Respect (FIR). It's a simple 'Cause and Effect' approach, which ensures that employees are not only more productive and innovative, but they are healthier, safer and report high levels of personal worth. Ultimately celebrating, supporting and encouraging inclusion and diversity allows everyone to bring their 'true selves' to the workplace and both the individual and the business reaps the benefits. Covid has ignited a revolutionary

change in the way we 'do work' and we have embraced this opportunity to create new working patterns, which will allow us to address the systematic structural issues of the Construction industry, that has traditionally impacted access and progression for females.

Our innovative approach continues to ensure that the underlying quartile pay gaps are negligible. We have committed to achieving the 'Investor in Diversity' accreditation by the end of 2022, driving forward a stretching action plan, designed to deliver a fairer, more inclusive experience for all employees.



# Why Gender Pay Reporting?

Before we analyse our 2021 gender pay statistics, it is important to provide a brief explanation as to what the pay gap means and why understanding it appropriately is important:

## What is the gender pay gap?



The gender pay gap shows the difference in the average hourly pay rate between ALL men and women in a workforce. It's important to acknowledge that it doesn't compare the salary levels for equivalent roles within a business.

## Why is it so important?



If an individual organisation or an industry as a whole has a particularly high gender pay gap there may be a number of issues to deal with, and the individual calculations help to identify what those issues are.

# The continuing impact of Covid-19 on the 2021 Gender Pay Gap

Whilst 2021 allowed businesses to return to more accurate reporting on gender pay (without the effects of furlough), there remains a hangover from lockdowns, the emergence of the 'great resignation' and a significant reduction in available talent pools, that have negatively impacted the opportunity to see an immediate change in pre-Covid pay gap levels.

People are starting to re-evaluate what is important to them within their life and career, with a drive towards a better work life balance. However, we believe that rather than a threat to business success, this sea-change in

thinking opens opportunities for more sustainable, higher-level returns on a business and personal employee basis. Not only that but it has the potential to positively impact the pay gap, especially as we look to embrace more innovative, flexible site working methods that can attract, retain, and develop female talent into and through our industry by breaking down traditional access barriers. That's not going to happen overnight of course, but it is an exciting prospect as senior management listen to employees, buy into the importance of and support this new way of work.





# The story behind the GRAHAM Gender Pay Gap

Close examination of the GRAHAM 2021 gender pay figures reveals a business which is continuing to achieve results, despite the ongoing challenges, frustrations and fall out from Covid obstructing our ability to implement changes that positively impact the figures in the short-term.

Whilst we know that our strategic approach will have long-lasting positive impact on the headline figure, we are also encouraged that a forensic analysis of the global data demonstrates that across our business there is already fairness and a very low, underlying gap across all quartiles.

That's despite the 'Headline' 2021 figure remaining resistant to significant change across all measurements. However, this is not the most effective measurement of what is actually happening within the business, given that this 'raw' figure is impacted by the salaries of a minority of senior roles, which traditionally are filled by men and whose salary levels negatively skew the pay gap reality for the majority of our employees.

When we start to delve beneath the headlines and look at the quartile data, we see that our progressive approach to attraction, employee development and overall FIR is producing a culture where everyone has the same

opportunities and access to the same rewards.

Of course that doesn't mean there isn't work to do – we recognise that momentum towards change which tackles the headline figure is vital, as it will more clearly show that our strategy is delivering long term success.

That's going to mean both industry and internal change but one positive impact of Covid is that it is helping us see change as a business imperative and to take seismic, culture busting movement to make that happen.

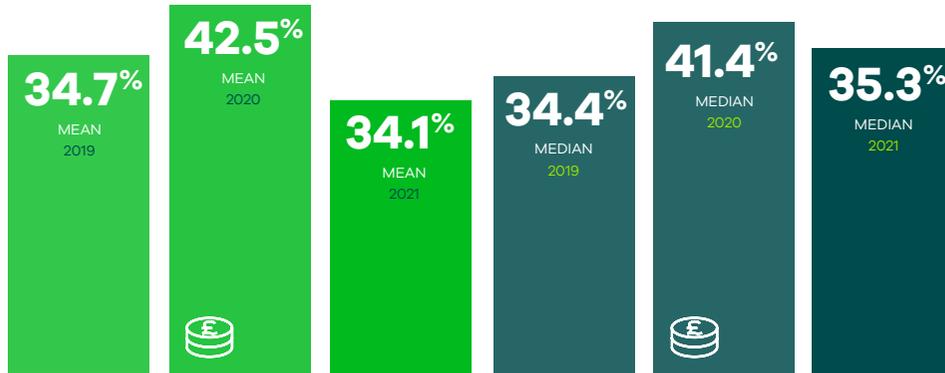


# GENDER PAY GAP STATISTICS 2021

To better understand the context of the gender pay gap and to make realistic comparisons we include data from 2019 to 2021, given that 2020 was an anomaly year impacted by furlough.

Overall our 2021 figures show a consistency with the pre-covid, 2019 data, which had seen us deliver substantial, continuous improvement over previous years. Being able to maintain this positive level during a time of employment market turbulence will provide a solid base to build on for the future, especially given our ambitious plans both in progress and which we plan to implement.

## Pay Gap



**As a business we are confident that we pay the same salary for equivalent roles regardless of gender or any other individual characteristic.**



## Pay Quartiles

LOWER QUARTILE	LOWER MIDDLE QUARTILE	UPPER MIDDLE QUARTILE	UPPER QUARTILE
<b>2019</b> Mean Pay Gap: -2.20% Median Pay Gap: -1.68% 32.4% (Female) / 67.6% (Male)	<b>2019</b> Mean Pay Gap: 1.8% Median Pay Gap: 3% 28% (Female) / 72% (Male)	<b>2019</b> Mean Pay Gap: 0.6% Median Pay Gap: 1.1% 12.6% (Female) / 87.4% (Male)	<b>2019</b> Mean Pay Gap: 18.5% Median Pay Gap: 7.3% 6% (Female) / 94% (Male)
<b>2020</b> Mean Pay Gap: -43.2% Median Pay Gap: -42.1% 38.7% (Female) / 61.3% (Male)	<b>2020</b> Mean Pay Gap: 6.51% Median Pay Gap: 9.21% 19.4% (Female) / 80.6% (Male)	<b>2020</b> Mean Pay Gap: 2.33% Median Pay Gap: 3.48% 9.7% (Female) / 90.3% (Male)	<b>2020</b> Mean Pay Gap: 25.7% Median Pay Gap: 6.9% 5.2% (Female) / 94.8% (Male)
<b>2021</b> Mean Pay Gap: 0.55% Median Pay Gap: 0.72% 34.7% (Female) / 65.3% (Male)	<b>2021</b> Mean Pay Gap: 1.91% Median Pay Gap: 2.57% 29% (Female) / 71% (Male)	<b>2021</b> Mean Pay Gap: 1.02% Median Pay Gap: 0.62% 11% (Female) / 88.9% (Male)	<b>2021</b> Mean Pay Gap: 15.26% Median Pay Gap: 8.79% 5.4% (Female) / 94.6% (Male)

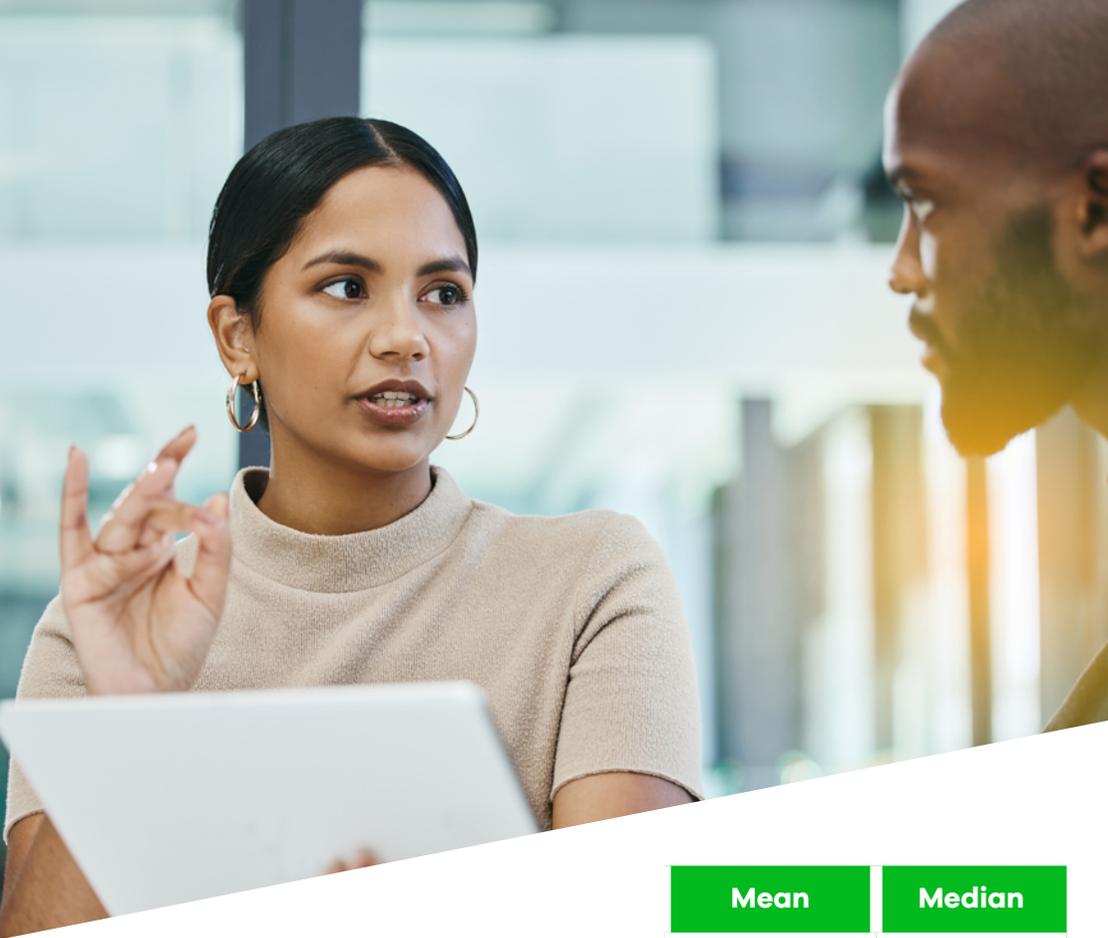
The metrics in the above table summarise the gender distribution across GRAHAM when we divide pay rates into four equal quartiles.

Our 2021 results continue to paint a more accurate picture of gender pay gaps within our business.

The gap in the first three quartiles continues to be close to equity across genders and has been influenced by an increase of females into technical and supervisory roles, driven through positive recruitment initiatives and inclusive leadership development programmes that directly influence promotion rates.

Whilst the Upper Quartile mean pay gap remains inconsistent with our overall statistics, we have seen an improvement trend, driven in particular through a revision of senior executive pay bands.

So, the emerging picture continues to be one of nationally leading low pay gaps for the majority of our employees and maintained improvement, testament to a focused, transparent and effective strategy.



# How are we addressing the Gender Pay Issues?

Our Head of Equality, Diversity and Inclusion joined us in 2021 and she is a senior leader and influencer both within our business but especially the Construction Industry. They have quickly established structures that enable females to play a more active role within the business by:



Providing feedback on how the business can develop systems that drive equality and inclusion



Encouraging females to get involved in the design of programmes that can deliver FIR for all employees



Supporting the attraction of more females to the industry and business



Above all ensuring that females have a collective internal 'voice' that influences business decisions.

Actions lead to results

## Bonus Gap

	Mean	Median
2021 bonus given	86.7%	25%
2020 bonus given	83.3%	28.6%
2019 bonus given	87.7%	33.3%

Internal Bonuses are usually paid in the 12 months preceding the gender pay gap calculation date. That means that 2021 figures relate to any bonus paid during 1920/21 financial year which was at the height of Covid lockdowns etc. Only a minority of staff were eligible for a bonus during this period and therefore these latest figures are not representative of what would have normally occurred.

# Actions lead to results

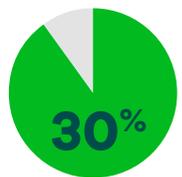
To understand employee needs and build effective action plans we continue to obtain extensive qualitative and quantitative data through regular topic-specific surveys from diversity, reward, personal development through to wellbeing. Employee confidence that this makes a difference is demonstrated through ongoing, high response rates and a 'You said- We did' regular reporting system.

In particular, making a commitment to achievement of the Investor in Diversity is driving a transparent action plan with clear deliverables. We are setting stretching, transparent targets to increase the overall diversity within attraction, development and promotional processes and have put in place internal collection and reporting tools to ensure more effective analysis, so that plans are based on hard data.

We are also working at the heart of the Industry, collaborating with our Peers to develop and share strategies that deliver change. It is the power of collective thinking which has led to the development of new methods of measuring inclusivity, so that we can clearly track results and areas for development.

Of course we are not starting from a standing position, rather we aim to build on a wealth of ongoing FIR achievements.

## IN THE LAST YEAR WE HAVE SEEN A NUMBER OF SIGNIFICANT OUTCOMES FROM OUR COMMITMENT AND FOCUS:



increase in  
female graduate  
intake



**10%**  
10% increase  
of women on  
management  
courses



**33%** increase  
in female  
promotions



**18%** increase in  
applications  
from females



Interview  
success rates  
at gender  
parity



Understanding that Wellbeing is a core foundation of FIR we have recruited a Wellbeing Manager and rolled out a number of specific interventions designed to support females to be able to stay in work and maximise their careers. This includes a new online service for mothers, a new menopause policy with trained internal support staff, guidance for managers and most importantly access to mental wellbeing support.

We understand that Leaders drive decision making and that the industry has been traditionally male dominated at these levels. To ensure change happens and is embedded, we have embarked on an ambitious plan with all our senior leaders undertaking Inclusive Leadership and Recruitment programmes by the end of 2022. We have also increased the number of females in our management programme which is a direct pre-cursor for promotion success.



# GENDER PAY PLANS 2022

We recognise that FIR and Diversity is not just about Gender. In fact we know that doing the right things, in the right ways will impact all under-represented groups within our business. That's why we are using the Investor in Diversity framework to drive change, knowing that this will focus resources and deliver positive change for all. In focusing on overall FIR targets the long-term goal to reduce the headline gender pay gap will also be addressed. Of course we also know that there is a continued need to establish and link with employee representative groups, to ensure that any plans are developed,

tried, and tested in conjunction with their feedback, concerns, and individual needs. This collaborative approach will provide maximum benefit to the gender fairness and inclusion agenda.

Providing a simple 4-pronged structure ensures that we focus on delivery, what we know will have the most impact and which can become part of an ongoing, adaptable mechanism for change.

## EMBED FIR

- Carry out regular analysis and reporting on EDI Data and building plans on what it tells us, not what we assume
- Support managers to embed FIR within their teams
- Promote a positive 'zero tolerance' culture where staff are confident to 'call out' and tackle inappropriate behaviours

## COMMUNICATE FIR EFFECTIVELY

- Ensure everyone knows what FIR means to them and how they can embed it further within their day-to-day work and behaviours
- Include 'Respect' as a key personal behavioural competency within the award-winning CONNECT personal development process
- Highlight FIR Ambassadors as the 'go-to' person for sites and offices

## PROVIDE COMPREHENSIVE FIR TRAINING

- All employees to undertake online/ face to face training to understand their responsibilities for FIR
- All Managers to undertake Inclusive Leadership and Inclusive Recruitment training

## DEVELOP BEST PRACTICE PEOPLE PROCESSES

- Benchmarking our Reward and Recognition systems to ensure they are suitable, family friendly, inclusive, and attractive for the new, emerging world of work
- Develop a template protocol for Site-based flexibility based on lessons learned from a Timewise pilot
- Develop gender focused programmes that support development, engagement and wellbeing of female employees
- Achieve Investor in Diversity accreditation

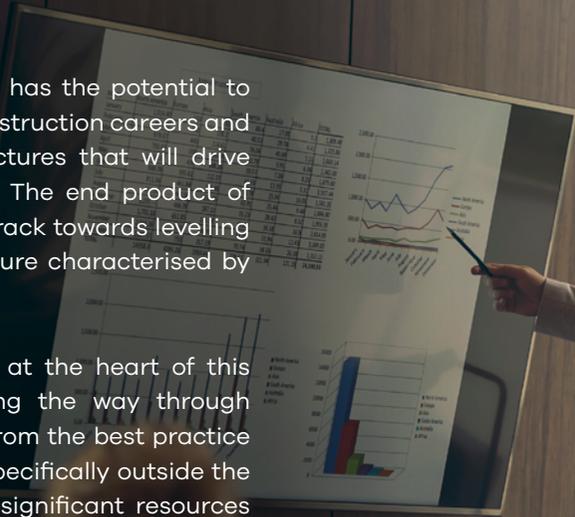
# Summary

Covid continues to have a short-term adverse impact on a businesses' ability to reduce gender pay gaps. However the revolutionary changes it is bringing to the world of work is allowing traditional industries such as construction to rethink how we 'do work'.

This new flexible approach has the potential to attract more females to construction careers and to create sustainable structures that will drive progression opportunities. The end product of this strategy will be a fast track towards levelling up of the pay gap, to a future characterised by total inclusion.

As a business GRAHAM is at the heart of this cultural shift. We're leading the way through innovation whilst learning from the best practice of others, both within but specifically outside the industry. We are investing significant resources to embed our FIR values, basing our action plans on grass roots feedback and ideas, but most importantly we are seeking to create change by making FIR become alive and meaningful in the everyday rhythms of work.

We understand that this is a once in a generation opportunity for significant, positive change that can underpin and influence future success. As a Leadership team we intend embracing it with drive, commitment and passion, so we can fully realise the benefits of this revolution and ensure GRAHAM maintains its reputation as an employer of choice.



I confirm that our data within this report has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

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